

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

# HOUSE BILL 2757

## AN ACT

AMENDING TITLE 20, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-846; AMENDING TITLE 20, CHAPTER 4, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1079; AMENDING TITLE 20, CHAPTER 6, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-1383; CHANGING THE DESIGNATION OF TITLE 20, CHAPTER 13, ARIZONA REVISED STATUTES, TO ACCOUNTABLE HEALTH PLANS; REPEALING THE ARTICLE HEADING OF FORMER TITLE 20, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES; AMENDING SECTION 20-2341, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL HEALTH INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Title 20, chapter 4, article 3, Arizona Revised Statutes,  
3 is amended by adding section 20-846, to read:  
4 20-846. Individual policies; certain mandates excluded  
5 NOTWITHSTANDING ANY STATUTE TO THE CONTRARY IN THIS ARTICLE, A HOSPITAL  
6 SERVICE CORPORATION, MEDICAL SERVICE CORPORATION OR HOSPITAL AND MEDICAL  
7 SERVICE CORPORATION MAY ISSUE A SUBSCRIPTION CONTRACT TO AN INDIVIDUAL THAT  
8 IS NOT SUBJECT TO THE REQUIREMENTS OF ANY OF THE FOLLOWING:  
9 1. SECTION 20-461, SUBSECTION A, PARAGRAPH 17 AND SUBSECTION B.  
10 2. SECTION 20-826, SUBSECTION C, PARAGRAPH 1.  
11 3. SECTION 20-826, SUBSECTIONS F, J, K, U, V, W, X AND Y.  
12 4. SECTION 20-841, SUBSECTIONS A AND C.  
13 5. SECTIONS 20-841.01, 20-841.02, 20-841.03, 20-841.04, 20-841.06,  
14 20-841.07 AND 20-841.08.  
15 6. SECTION 20-841.05, SUBSECTIONS B AND E.  
16 Sec. 2. Title 20, chapter 4, article 9, Arizona Revised Statutes, is  
17 amended by adding section 20-1079, to read:  
18 20-1079. Individual policies; certain mandates excluded  
19 NOTWITHSTANDING ANY STATUTE TO THE CONTRARY IN THIS ARTICLE, A HEALTH  
20 CARE SERVICES ORGANIZATION MAY ISSUE AN EVIDENCE OF COVERAGE TO AN INDIVIDUAL  
21 THAT IS NOT SUBJECT TO THE REQUIREMENTS OF ANY OF THE FOLLOWING:  
22 1. SECTION 20-461, SUBSECTION A, PARAGRAPH 17 AND SUBSECTION B.  
23 2. SECTION 20-1057, SUBSECTIONS C, K, L, Y, Z, AA AND BB.  
24 3. SECTIONS 20-1057.01, 20-1057.03, 20-1057.04, 20-1057.05 AND  
25 20-1057.08.  
26 4. SECTION 20-1057.02, SUBSECTION B.  
27 Sec. 3. Title 20, chapter 6, article 4, Arizona Revised Statutes, is  
28 amended by adding section 20-1383, to read:  
29 20-1383. Individual policies; certain mandates excluded  
30 NOTWITHSTANDING ANY STATUTE TO THE CONTRARY IN THIS ARTICLE, A  
31 DISABILITY INSURER MAY ISSUE A POLICY TO AN INDIVIDUAL THAT IS NOT SUBJECT TO  
32 THE REQUIREMENTS OF ANY OF THE FOLLOWING:  
33 1. SECTION 20-461, SUBSECTION A, PARAGRAPH 17 AND SUBSECTION B.  
34 2. SECTION 20-1342, SUBSECTION A, PARAGRAPH 8, SUBDIVISION (a).  
35 3. SECTION 20-1342, SUBSECTION A, PARAGRAPHS 11 AND 12.  
36 4. SECTION 20-1342, SUBSECTIONS H, I, J AND K.  
37 5. SECTION 20-1342.01.  
38 6. SECTION 20-1376, SUBSECTIONS A AND C.  
39 7. SECTIONS 20-1376.01, 20-1376.02, 20-1376.03 AND 20-1376.04.  
40 Sec. 4. Heading change  
41 The chapter heading of title 20, chapter 13, Arizona Revised Statutes,  
42 is changed from "SPECIAL HEALTH INSURANCE PLANS" to "ACCOUNTABLE HEALTH  
43 PLANS".

1           Sec. 5. Heading repeal

2           The article heading of former title 20, chapter 13, article 2, Arizona  
3 Revised Statutes, is repealed.

4           Sec. 6. Section 20-2341, Arizona Revised Statutes, is amended to read:  
5 20-2341. Small business health insurance plans: mandatory  
6 coverage exemption: definitions

7           A. A policy, subscription contract, contract, plan or evidence of  
8 coverage issued to ~~a~~ AN UNINSURED small business by a health care insurer is  
9 not subject to the requirements of any of the following:

10           1. Section 20-461, subsection A, paragraph 17 and subsection B.

11           2. Section 20-826, subsection C, paragraph 1.

12           3. Section 20-826, subsections F, J, K, U, V, W, X and Y.

13           4. SECTION 20-841, SUBSECTIONS A AND C.

14           ~~4.~~ 5. Sections ~~20-841,~~ 20-841.01, 20-841.02, 20-841.03, 20-841.04,  
15 20-841.06, 20-841.07 and 20-841.08.

16           ~~5.~~ 6. Section 20-841.05, subsections B and E.

17           ~~6.~~ 7. Section 20-1057, subsections C, K, L, Y, Z, AA and BB.

18           ~~7.~~ 8. Sections 20-1057.01, 20-1057.03, 20-1057.04, 20-1057.05 and  
19 20-1057.08.

20           ~~8.~~ 9. Section 20-1057.02, Subsection B.

21           ~~9.~~ 10. Section 20-1342, subsection A, paragraph 8, subdivision (a).

22           ~~10.~~ 11. Section 20-1342, subsection A, paragraphs 11 and 12.

23           ~~11.~~ 12. Section 20-1342, subsections H, I, J and K.

24           ~~12.~~ 13. Section 20-1342.01.

25           14. SECTION 20-1376, SUBSECTIONS A AND C.

26           ~~13.~~ 15. Sections ~~20-1376,~~ 20-1376.01, 20-1376.02, 20-1376.03 and  
27 20-1376.04.

28           ~~14.~~ 16. Section 20-1402, subsection A, paragraph 4, subdivision (a).

29           ~~15.~~ 17. Section 20-1402, subsection A, paragraphs 7 and 8.

30           ~~16.~~ 18. Section 20-1402, subsections H, I, J, K and L.

31           ~~17.~~ 19. Section 20-1404, subsection F, paragraph 1.

32           ~~18.~~ 20. Section 20-1404, subsections I, Q, R, S, T and U.

33           ~~19.~~ 21. Section 20-1406, SUBSECTIONS A AND C.

34           ~~20.~~ 22. Sections 20-1406.01, 20-1406.02, 20-1406.03 and 20-1406.04.

35           ~~21.~~ 23. Section 20-1407.

36           ~~22.~~ 24. Section 20-2321.

37           ~~23.~~ 25. Section 20-2327.

38           ~~24.~~ 26. Section 20-2329.

39           B. Section 20-2304, subsection B does not apply to a policy,  
40 subscription contract, contract, plan or evidence of coverage issued to a  
41 small business pursuant to subsection A of this section.

1 C. In this ~~article~~ SECTION, unless the context otherwise requires:

2 1. "Health care insurer" means a disability insurer, group disability  
3 insurer, blanket disability insurer, health care services organization,  
4 hospital service corporation, medical service corporation or hospital and  
5 medical service corporation.

6 ~~2. "Small business" means a business that employed at least two but  
7 not more than twenty five persons at any time during the most recent calendar  
8 year and that has been uninsured for at least six months.~~

9 2. "UNINSURED SMALL BUSINESS" MEANS A SMALL EMPLOYER THAT DID NOT  
10 SPONSOR OR PROVIDE A HEALTH BENEFITS PLAN FOR AT LEAST SIX CONSECUTIVE MONTHS  
11 IMMEDIATELY PRIOR TO THE EFFECTIVE DATE OF COVERAGE PROVIDED PURSUANT TO THIS  
12 SECTION. THE UNINSURED REQUIREMENT OF THIS PARAGRAPH DOES NOT APPLY AT THE  
13 RENEWAL OF COVERAGE PROVIDED PURSUANT TO THIS SECTION.

14 Sec. 7. Retroactivity

15 This act is effective retroactively to from and after September 21,  
16 2006.